# GOVERNMENT OF INDIA
# FINANCE
# LOK SABHA

UNSTARRED QUESTION NO:6688
ANSWERED ON:10.05.2002
INTEREST ON LOANS
VSM (RETD.) COL. CHOUDHARY

**Will the Minister of FINANCE be pleased to state:**

(a) the rate of interest on various types of loans viz. plan assistance and for development/Social schemes given to State Governments;

(b) whether some State Governments requested the Union Government to reduce the rate of interest on loans;

(c) if so, the reasons given by them; and

(d) the reaction of Union Government in this regard?

## Answer

MINISTER OF STATE FOR FINANCE (SHRI BALASAHEB VIKHE PATIL)

(a) The rates of interest on various types of loans applicable to State Governments from 1st April, 2002 are as follows:

| Type of loan | Interest rate per cent per annum |
|---|---|
| (i) Ways and Means advances | 8.00 |
| (ii) Other Loans | 11.50 |

(b) to (c) No, Sir.

(d) Does not arise.